Palau Page 1 of 5

Palau

Country Reports on Human Rights Practices - 2002
Released by the Bureau of Democracy, Human Rights, and Labor
March 31, 2003

Palau, formerly a U.N. trusteeship administered by the United States, became an independent nation in free association with the United States on October 1, 1994. The democratically elected government is modeled after that of the United States. The Constitution provides for executive and legislative branches and free and fair elections. Members of the legislature, the Olbiil Era Kelulau, are elected for 4-year terms. The President and Vice President also are elected for 4-year terms. In the November 2000 general elections, Vice President Tommy E. Remengesau, Jr., won the presidential race and Senator Sandra S. Pierantozzi became the first woman Vice President. The country is organized politically into 16 states. The judiciary is independent.

The country has no security forces other than local police and civilian law enforcement personnel; all are under the effective control of the civilian authorities. The country also has a Marine Law Enforcement Division that patrols its borders with assistance from the Australian Government. Under the Compact of Free Association, the United States is responsible for the country's defense.

The small, market-based economy was sustained largely by transfer payments from the United States. The country's population is approximately 19,100. The Government employed nearly half of the work force. Tourism and other service sectors accounted for most other paid employment. Tuna, harvested by foreign-operated fleets, was the dominant export. Several small-scale operations, employing foreign workers, assembled clothing from imported materials for export. Traditional subsistence agriculture and fishing diminished as persons moved to urban areas in search of employment. An increasing number of Chinese farmers operated vegetable farms that competed with indigenous farmers; most indigenous farmers worked and sold what they produced from their own land.

The Government generally respected the human rights of its citizens; however, there were problems in a few areas. Traditional customs sustain a value system that discriminates between persons on the basis of social status and sex. The loosening ties of the extended family and the increasing abuse of alcohol and other drugs were major contributing factors that led to instances of domestic violence and child neglect. Societal discrimination and some abuse against certain foreign workers, who accounted for nearly 30 percent of the population and 73 percent of the paid work force, were also serious problems. There were reports of persons being trafficked to the country from the People's Republic of China (PRC), the Philippines, and Taiwan. Palau was invited by the Community of Democracies' (CD) Convening Group to attend the November 2002 second CD Ministerial Meeting in Seoul, Republic of Korea, as a participant.

RESPECT FOR HUMAN RIGHTS

Section 1 Respect for the Integrity of the Person, Including Freedom From:

a. Arbitrary or Unlawful Deprivation of Life

There were no reports of the arbitrary or unlawful deprivation of life committed by the Government or its agents.

b. Disappearance

There were no reports of politically motivated disappearances.

c. Torture and Other Cruel, Inhuman, or Degrading Treatment or Punishment

The Constitution prohibits such practices, and there were no reports that government officials employed them.

Prison conditions generally met international standards, and the Government permitted visits by independent human rights

Palau Page 2 of 5

observers. Members of the Palau Red Cross Society, which is affiliated with the International Federation of Red Cross and Red Crescent Societies, have visited the country's sole prison. The prison also was inspected regularly by government health and sanitation officials. The prison has separate quarters for men, women, juveniles, and pretrial detainees.

d. Arbitrary Arrest, Detention, or Exile

The Constitution prohibits arbitrary arrest and detention, and the Government generally observed these prohibitions.

Warrants for arrests are prepared by the Office of the Attorney General and signed by a judge. Detainees had prompt access to families and lawyers. If a detainee could not afford a lawyer, the Public Defender or a court-appointed lawyer was available. There was a functioning system of bail. Lengthy pretrial detention was not a problem.

The Constitution prohibits forced exile, and the Government did not use it.

e. Denial of Fair Public Trial

The Constitution provides for an independent judiciary, and the Government generally respected this provision in practice.

The judiciary consists of the Supreme Court, the National Court, and the Court of Common Pleas. The President appoints judges to the Supreme Court and National Court from a list recommended by the Judicial Nominating Commission. Appointments are for life.

The Government has an independent special prosecutor and an independent public defender system. The Constitution provides for the right to a fair trial, and an independent judiciary generally enforced this right vigorously.

There were no reports of political prisoners.

f. Arbitrary Interference with Privacy, Family, Home, or Correspondence

The Constitution prohibits such actions, and the Government generally respected these prohibitions in practice.

Section 2 Respect for Civil Liberties, Including:

a. Freedom of Speech and Press

The Constitution provides for freedom of speech and of the press, and the Government generally respected these rights in practice. An independent press, an effective judiciary, and a functioning democratic political system combine to ensure freedom of speech and of the press.

The Internet was easily accessible; the Government did not control or limit its use.

The Government did not restrict academic freedom.

b. Freedom of Peaceful Assembly and Association

The Constitution provides for the freedom of assembly and association, and the Government generally respected these rights in practice.

c. Freedom of Religion

The Constitution provides for freedom of religion, and the Government generally respected this right in practice.

The Government did not promote or restrain religious activities; however, it regulated the establishment of religious organizations by requiring them to obtain charters as nonprofit organizations from the office of the Attorney General. This registration process was not protracted, and the Government did not deny any groups registration during the year.

Employers complained to the Division of Labor in the Ministry of Commerce and Trade that the religious practices of Bangladeshi Muslims interfered both with activity in the workplace and with the living arrangements of the employing families. In response the Ministry decided in 1998 to deny work permits to Bangladeshi workers in the future. On July 21, the Ministry extended this policy to Indians and Sri Lankans, both Muslims and non-Muslims. Workers already in the country were not expelled.

Palau Page 3 of 5

For a more detailed discussion see the 2002 International Religious Freedom Report.

d. Freedom of Movement Within the Country, Foreign Travel, Emigration, and Repatriation

The Constitution provides for these rights, and the Government generally respected them in practice.

The Government has not formulated a policy regarding refugees, asylees, or first asylum, and government practice remains undefined. However, there were no reports of the forced return of persons to a country where they feared persecution or the expulsion of anyone having a valid claim to refugee status. The issue of cooperation with the Office of the U.N. High Commissioner for Refugees and other humanitarian organizations in assisting refugees has never arisen. In late 2001, the Government denied a request by the Australian Government that the country become a processing point for asylum seekers trying to reach Australia.

Section 3 Respect for Political Rights: The Right of Citizens to Change Their Government

The Constitution provides citizens with the right to change their government peacefully, and citizens exercise this right in practice through periodic, free, and fair elections held on the basis of universal suffrage.

The Constitution provides for executive and legislative branches. The legislature, the Olbiil Era Kelulau, consists of 2 equal houses: The 9-member Senate and the 16-member House of Delegates. The President and Vice President are elected by popular vote and have no limit on the number of their terms, except that the President may only serve two consecutive terms. Although there have been political parties in the past, there were none during the year. In the November 2000 general elections, Vice President Tommy E. Remengesau, Jr., won the presidential race, and Senator Sandra S. Pierantozzi became the first woman Vice President.

There were no legal impediments to women participating in government and politics. Women constituted 18 percent of state government legislators, up from 11 percent in 2001. A woman is governor of 1 of the 16 states. No women were elected to the Olbiil Era Kelulau in the 2000 election.

Section 4 Governmental Attitude Regarding International and Nongovernmental Investigation of Alleged Violations of Human Rights

A number of domestic and international human rights groups generally operated without government restraint, investigating and publishing their findings on human rights issues. Government officials were cooperative and responsive to their views.

The Palau Red Cross Society opened its office in 1996, and in 1997 it joined the International Federation of Red Cross and Red Crescent Societies.

Section 5 Discrimination Based on Race, Sex, Disability, Language, or Social Status

The Constitution prohibits discrimination on the basis of sex, race, place of origin, language, religion or belief, social status, or clan affiliation, and the Government observed these provisions.

Women

There were many incidents of violence against women, mainly domestic abuse. Alcohol and illegal drug abuse increasingly contributed to this problem. According to the Attorney General's office, the Government's Public Health Office, and women's groups, only a few such cases are reported to the authorities every year. Although assault is a criminal offense, women were reluctant to prosecute their spouses.

The law prohibits rape, including spousal rape; however, such crimes were not common. The Bureau of Public Health and the Bureau of Public Safety have urged all victims of crime, including rape, to report offenses.

Prostitution was a problem; during the year, the Attorney General successfully prosecuted three cases of prostitution involving nine PRC citizens. All nine were deported. A citizen accused of employing four of the PRC citizens was successfully prosecuted and sentenced to prison.

The inheritance of property and of traditional rank is matrilineal, with women occupying positions of importance within the traditional system. Women serve by presidential appointment as bureau directors for human resources and clinical services. There were no reported instances of unequal pay for equal work or sex-related job discrimination.

Since 1993 local women's groups have organized an annual women's conference that focuses on women's and children's issues, including health, education, drug abuse, prostitution, and traditional customs and values. Government officials, including the President, Vice President, ministers, and traditional chiefs, have participated in the conference to discuss these issues.

Palau Page 4 of 5

Women's group leaders and government officials agreed that changes were needed to improve the country's educational system and to reduce illegal drug use among youth. The women's conference held in March continued its focus on previous issues and problems.

Children

The Government provided a well-funded system of public education and medical care for children. There was no difference in the treatment of girls and boys in educational opportunities, or in the availability of scholarships to attend postsecondary education abroad. Education was mandatory from ages 6 to 17. It was free and universal. Ninety-four percent of school-age children attended school; of these, 97 percent finished elementary school, and 78 percent completed high school. Girls and boys received equal treatment in health care services.

There was no societal pattern of abuse directed against children. While there have been a few instances of child abuse, cases have been prosecuted successfully by the office of the Attorney General. While children's rights generally were respected, there were reports of several instances of child neglect, which was a byproduct of the breakdown of the extended family. Child prostitution was neither accepted within society nor practiced.

Government officials and representatives from nongovernmental organizations agreed that changes were needed to improve the educational system and to reduce illegal drug abuse among youth.

Persons with Disabilities

The National Code includes a Disabled Persons Antidiscrimination Act and a Handicapped Children Act, and the Government enforced the provisions of these acts. No instances of discrimination against persons with disabilities were reported. The law requires building access for persons with disabilities, and most government and business buildings have access for such persons. The public schools have established special education programs to address problems encountered by persons with disabilities.

National/Racial/Ethnic Minorities

Noncitizens are prohibited from purchasing land or obtaining citizenship. The rapid increase in foreign workers, who according to the May 2000 census constituted nearly 30 percent of the population and 73 percent of the work force, was viewed negatively by a majority of citizens. Foreign residents were subject to some forms of discrimination and were targets of petty, and sometimes violent, crimes, as well as other random acts against person and property. Credible complaints were made by foreign residents that crimes against noncitizens were not pursued or prosecuted by authorities with the same vigor as crimes against citizens. Certain foreign nationals experienced generalized discrimination in employment, pay, housing, education, and access to social services, although such discrimination is prohibited by law. While precise data was lacking, there continued to be anecdotal reports regarding the abuse of workers' civil rights perpetrated against domestic servants, female bar workers, construction laborers, and other semiskilled workers, the majority of whom were from the Philippines, the PRC, and Taiwan. The most common abuses included misrepresentation of contract terms and conditions of employment, withholding of pay or benefits, and, at times, physical abuse (see Section 6.e.). In a number of instances, local authorities took corrective action when alerted by social service and religious organizations to which foreign workers had turned for assistance. Nonetheless, foreign workers often were reluctant to seek legal redress for fear of losing their employment and, thus, permission to remain in the country.

Section 6 Worker Rights

a. The Right of Association

The Constitution provides for the right of all persons to assemble peacefully or to associate with others for any lawful purpose, including the right to join and organize labor unions. There were no active employee organizations.

b. The Right to Organize and Bargain Collectively

There is no legislation concerning trade union organization, including collective bargaining, although there were no legal impediments to either. Wages in the cash economy were determined by market factors.

The Constitution does not provide for the right to strike, and the Government has not addressed this issue. There were no strikes during the year.

There are no export processing zones.

c. Prohibition of Forced or Bonded Labor

Palau Page 5 of 5

The Constitution prohibits slavery or involuntary servitude except to punish crime. The law does not prohibit specifically forced and bonded labor by children; however, there were no reports that such practices occurred. Instances were reported of foreign workers, especially domestic helpers and unskilled laborers, who were forced to accept jobs different from those for which they were recruited. The freedom of foreign workers to leave employment situations not to their liking may be hindered by verbal threats or the withholding of passports and return tickets to the country in which they were recruited.

d. Status of Child Labor Practices and Minimum Age for Employment

The Constitution states that the Government shall protect children from exploitation. There is no minimum age for employment. Children typically were not employed in the wage economy, but some assisted their families with fishing, agriculture, and other small-scale family enterprises. By regulation no foreigner under the age of 21 may be admitted into the country for employment purposes, and the Government enforced this regulation effectively.

The Government has not ratified ILO Convention 182 on the worst forms of child labor.

e. Acceptable Conditions of Work

The law sets the minimum wage at \$2.50 per hour. Foreign workers are not included under the minimum wage law. The minimum wage appeared to be sufficient to provide a decent standard of living for a worker and family. Anecdotal evidence indicated that unskilled workers for commercial firms (usually foreigners) were paid only \$1.50 to \$2.00 per hour. However, foreign workers usually were provided, in addition to their wages, basic accommodations and food at no or nominal cost. Although these wages were low, the country continued to attract large numbers of foreign workers from the Philippines and the PRC. There were more than 7,500 foreign nationals with work permits in the country; over half were from the Philippines, followed by the PRC, Korea, Indonesia, and Vietnam. The Korean, Indonesian, and Vietnamese workers were employed by a Korean-based firm on a road project. Since 1998 the Philippine Embassy has been working closely with the Government's Labor Division to resolve problems created by falsified documents, and it interceded in several cases involving allegations of worker abuse during the year; it also assisted in the repatriation of several workers.

There is no legislation concerning maximum hours of work, although most businesses are closed on either Saturday or Sunday. The Division of Labor has established some regulations regarding conditions of employment for nonresident workers. The Division may inspect the conditions of the workplace and employer-provided housing on specific complaint of the employees, but actual enforcement was sporadic. Working conditions varied in practice. No law specifically gives workers the right to remove themselves from situations that endanger their health or safety without jeopardy to their continued employment, and no law protects workers who file complaints about such conditions.

As the number of foreign workers increased, there continued to be increasing numbers of reports of mistreatment of such workers by their employers. These incidents of alleged mistreatment were common knowledge among the general public but were rarely reported to law enforcement authorities by the foreign workers due to fear of their employers. Some types of mistreatment that foreign workers consistently complained about included physical and verbal abuse; being required to work overtime and on days off without pay; employers withholding monthly salary; employers and recruiters deducting the amount of airfare from salaries; and substandard housing. Some workers also complained that they were not provided sufficient food. The foreign workers most likely to be abused were those who worked under contracts and earned between \$150 and \$300 a month as domestic helpers, construction workers, farmers, waitresses, beauticians, and hostesses in karaoke bars and massage parlors. Under the terms of their contracts, they also were to be provided room and board and air travel from their home country to Palau and back after the termination of their contracts. It was generally assumed that legislators specifically exempted contract workers in the 1998 minimum wage bill to ensure a continued supply of low-cost labor in industries that the legislators often control.

f. Trafficking in Persons

Neither the Constitution nor the law prohibit specifically trafficking in persons; however, there are laws against slavery, fraud, and prostitution. There were reports of women and some men being trafficked to the country from the PRC, Taiwan, and the Philippines to work in karaoke bars as hostesses and prostitutes, as domestics in private homes, and on construction sites. Following complaints to police by several of the women, four PRC nationals were arrested, tried, convicted of conspiracy to commit prostitution (1-year sentence suspended), fined \$1,000, and deported in 2001. In 1999 six Russian women were lured to the country with promises of legal employment; however, upon arrival they were forced to engage in prostitution. The freedom of foreign workers to leave employment situations not to their liking or into which they were forced may be hindered by verbal threats or the withholding of passports and return tickets to the country in which they were recruited (see Section 6.c.).

The Divisions of Immigration and Labor are involved in combating trafficking; however, the Government lacked funding and expertise to address the problem in practice. There was no formalized assistance available for victims, and victims normally were detained, jailed, or deported if they committed a crime such as prostitution. There were no NGOs that specifically addressed trafficking.